the lakhs that are spent by the department are spent well, the thorough re-organisation of the Income-tax department on the introduction of the Sales-tax, the creation of the posts of Reforms Commissioner and Constitutional Adviser with staff, payment of full dearness allowance to Aided Primary Teachers, revision of pay of teachers, etc., were some of the items that contributed to the increased expenditure. An interim relief of one month's pay paid to the low paid staff whose condition calls for improvement cost the Government Rs. 4 lakhs. Purchase of new cars under State Conveyances and the increased maintenance charges of Railway also accounted for the increase in expenditure.

Before proceeding to the subject of the day I may add that Government are not unaware of the growth of expenditure under "Establishment"; the period of war witnessed the creation of nearly 3600 appointments—about 1500 appointments on Rupees 15 and below, another 2000 or a little more on Rs. 100 and below and about 100 appointments on a salary above Rs. 100 and the expenditure under establishment (basic pay) grew from Rs. 30·2 lakhs in 1115 to Rs. 60·00 lakhs for 1123 excluding the lump provision of Rs. 18·00 lakhs for revision of pay. This is a feature peculiar not only to this State but also to every Province or State in India which had to face the impact of this phenomenal upheaval. I may illustrate my point from quoting the figures for the establishment of the Central Government.

The original eight departments of the Government of India were constituted into sixteen departments. The expenditure on the Government of India Secretariat in 1938—39 in some of the departments has grown many times as noted below.

In lakhs

Departments	*1938—39*	*1947—48*
	Rs.	*Rs.*
Home	29.74	39.57
Communication and Transport	2·84	30·64
Commerce	6·49	41·18
Labour	5·64	20·46
Education Health, Lands etc.	8·95	39·00

The expansion of work in all directions had no doubt made the growth necessary at the time. An inevitable concomitant of the war as this was, the establishments have, however, continued to this day even though the war ended two years ago. A war-less war is still being fought on all sides—on the food front, cloth front, fuel front, etc.,—and we are still not out of the woods. Yet, Government have decided that it is essential in the interest of the State to effect as much retrenchment as possible not only in the domain of temporary establishments, but wherever possible. For this purpose Government have appointed a committee to go into the question in detail. It is hoped that the committee would be able to suggest effective retrenchments on all sides.

Paradoxical, as it may seem, this year also witnessed the working of a committee or committees for the revision of pay of all establishments owing to the abnormal increase in the cost of living and the improvement in the standard of life. Orders on pay revision proposals are expected to issue shortly. The passing year also witnessed the conclusion of the labours of the Prohibition Committee, on whose valuable report, Government have already passed orders for starting prohibition with the Chittur Taluk.

Budget Estimate for 1123.—I now turn to the budget for the coming year. The estimated revenue for the year is Rs. 419·96 lakhs including the amounts taken from the Reserve Funds and the expenditure from revenue is estimated to be Rs. 417·95 lakhs leaving a surplus of over Rs. 2 lakhs.

Receipts.—The abolition of Salt Tax, the introduction of prohibition in the Chittur Taluk, the decline in the Income-tax owing to the withdrawal of Excess Profits Tax and in sales tax owing to exemptions, created a difficult problem for the Government to solve in framing the budget. The expenditure, on the other hand, shows less of decline as is only to be expected since new expenditure of the nation-building kind is fast replacing the decline under "Defence and War Measures". Sacrifice of revenue at one end and increase of expenditure at the other end to meet the ever-growing needs of our people, give us adequate justification for the new and increased taxation. On the side of expenditure, the one criterion by which Government have been guided in their policies and programmes is how far these go to satisfy the aspirations of the masses who are eagerly waiting for an economic and social miracle to occur within the span of a few years. The development proposals envisaged by us accordingly embody these aspirations. In the programme of Post-war Reconstruction we have followed more or less the same programme, though in our limited sphere as the Congress Provinces. In the priority of objectives we have

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[Mr. K. Govinda Menon]

laid more emphasis on Agriculture, but corrected to a small extent by a doze of industrialisation, by the extension of rural electrification, geological survey and development of small industries. We have equally stressed the necessity for rural reconstruction. The Village will be the focal point of the plan and rural development will be pressed forward vigorously so as to provide the villagers with all the necessaries and as soon as possible with all the amenities of an enlightened and cultured social life. The expansion of education is receiving, more than anywhere-else, top priority with us and it is our aim to liquidate illiteracy completely at the earliest. Prohibition is another item in favour of which we have taken the plunge like other Congress Provinces.

New taxation:—The successful prosecution of such a vast constructive programme entails large growth of expenditure which we cannot meet with our present revenues and like all other Provinces we too have been obliged to "stray to fresh fields and pastures new" with a view to increase our resources; but we have tried our best to tax only the rich as their contribution to the improvement of the lot of common man. Thus the new measures of taxation which we propose are—

(1) Agricultural Income-tax.
(2) Stepping up
  (*a*) of stamp duty—Judicial and Non-Judicial.
  (*b*) of the rates of Income-tax and Vcehiles tax
(3) Modifications in the existing taxation.—
  (*a*) Exemptions now given to Religious and Charitable Institution which are laying by large surpluses.
  (*b*) Curtailment of exemptions under Sales tax.

The Bills connected with these proposals are in the hands of the Hon'ble Members and I am not therefore expatiating on details. Most of these cannot, by any extent of imagination, be taken as affecting the poor classes of people and in fact these measures were only long overdue. These are expected to bring us an additional revenue of about Rs. 30 lakhs and this will help us to a great extent to meet our ever-growing needs on Education, Public Works, Rural Development, etc. As in every new measure of taxation, it is quite possible that there may be opposition from affected quarters but we have only to remember the memorable words of Burke.—

"To tax and to please, no more than to love and be wise, is not given to men".

I may also add that even after doing this, our taxation will be much lighter than elsewhere.

It is after taking into account these additional sources of taxation that the budget for the coming year has been framed and it is our confident hope that we will have the unstinted support of the House in all these measures. With the restoration of at least partially normal conditions, the sum of over Rs. 55 lakhs which we now contribute as dearness allowance to Government officers, Aided School Staff and pensioners can be withdrawn for more vigorous prosecution of our programme of rural amelioration. Coupled with the large sum of Rs. 20 lakhs which we are now spending for the Food department a sum of Rs. 75 lakhs will become available to us and all these are sure to stand us in good stead in our fight against illiteracy, disease, poverty and want, even after our inflated revenue under Excise and similar heads shrink. The Tobacco, Abkari and Ganja sales for 1123 have brought us unexpectedly large returns as compared with those of the current year—the increases under Tobacco being Rs. 9 lakhs and that under the latter Rs. 14·4 lakhs.

Disbursements 1123.—I shall now pass on to disbursements of the coming year. As compared with the revised estimate of the current year there is an increase of Rs. 45 lakhs in spite of every endeavour to reduce expenditure under all heads except those contributing to the moral and material advancement of the people at large.

Education.—Education comes easily as our first item of rural development with universal free education as our goal. The expenditure under "Education" exceeds Rs. 63 lakhs. Starting of Botany B.Sc., B.O.L., and Chemistry Hons. courses in the Maharaja's College, the organisation of the Technical Training Wing attached to the College, opening of new primary schools in backward areas, extension of aid to new schools, grant of full dearness allowance to teachers of all unaided primary schools, drafting of Hindi Pandits to regular cadre, the opening of a Technological Institute, and the continuance of the noon-day feeding scheme, are some of the important features of the Education Budget. Provident Fund has been made compulsory for all the Aided School Staff and this would mean a further expenditure of Rs. 75 lakhs. A large provision of Rs. 4·12 lakhs has also been made in the Public Works Budget for construction of new schools, and providing additional accommodation wherever essential. Besides, there is a decent provision for the working of the department of Libraries, the expansion of rural libraries is expected to codsolidate our progress in the matter of universal education.

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